

## LEGISLATIVE BILL 87

Approved by the Governor February 26, 2009

Introduced by Pahls, 31.

FOR AN ACT relating to secured transactions; to amend section 9-506, Uniform Commercial Code, Revised Statutes Cumulative Supplement, 2008; to extend existing provisions of and delay changes to the effects of errors and omissions in financing statements; to repeal the original section; and to declare an emergency.

Be it enacted by the people of the State of Nebraska,

Section 1. Section 9-506, Uniform Commercial Code, Revised Statutes Cumulative Supplement, 2008, is amended to read:

9-506 Effect of errors or omissions.

(a)(i) This subsection applies until September 2, ~~2009~~ 2010. A financing statement substantially satisfying the requirements of this part is effective, even if it has minor errors or omissions, unless the errors or omissions make the financing statement seriously misleading.

(ii) Except as otherwise provided in subdivision (iii) of this subsection, a financing statement that fails sufficiently to provide the name of the debtor in accordance with section 9-503(a) is seriously misleading.

(iii) If a search of the records of the filing office under the debtor's correct name, using the filing office's standard search logic, if any, would disclose a financing statement that fails sufficiently to provide the name of the debtor in accordance with section 9-503(a), the name provided does not make the financing statement seriously misleading.

(iv) For purposes of section 9-508(b), the "debtor's correct name" in subdivision (iii) of this subsection means the correct name of the new debtor.

(b)(i) This subsection applies beginning on September 2, ~~2009~~ 2010. A financing statement substantially satisfying the requirements of this part is effective, even if it has minor errors or omissions, unless the errors or omissions make the financing statement seriously misleading.

(ii) Except as otherwise provided in subdivision (iii) of this subsection, a financing statement that fails sufficiently to provide the name of the debtor in accordance with section 9-503(a) is seriously misleading.

(iii) If a search of the records of the filing office under the debtor's correct name, or, in the case of a debtor who is an individual, the debtor's correct last name, using the filing office's standard search logic, if any, would disclose a financing statement that fails sufficiently to provide the name of the debtor in accordance with section 9-503(a), the name provided does not make the financing statement seriously misleading.

(iv) For purposes of section 9-508(b), the "debtor's correct name" in subdivision (iii) of this subsection means the correct name of the new debtor.

Sec. 2. Original section 9-506, Uniform Commercial Code, Revised Statutes Cumulative Supplement, 2008, is repealed.

Sec. 3. Since an emergency exists, this act takes effect when passed and approved according to law.